



TURKEY FARMERS
OF CANADA

2011

Annual Report



The Thirty-eighth Annual Report of the Canadian Turkey Marketing Agency (c.o.b. Turkey Farmers of Canada) is prepared for presentation to the Federal Minister of Agriculture and Agri-Food, the Farm Products Council of Canada and the Thirty-eighth Annual Meeting of the TFC Members.



Turkey Farmers of Canada
7145 West Credit Avenue
Building 1, Suite 202
Mississauga, ON L5N 6J7
Tel: (905) 812-3140 | Fax: (905) 812-9326
Email: admin@tfc-edc.ca
Websites: www.turkeyfarmersofcanada.ca
www.tfconfarmprograms.ca
Facebook: www.facebook.com/TastyTurkey
Twitter: www.twitter.com/TastyTurkey

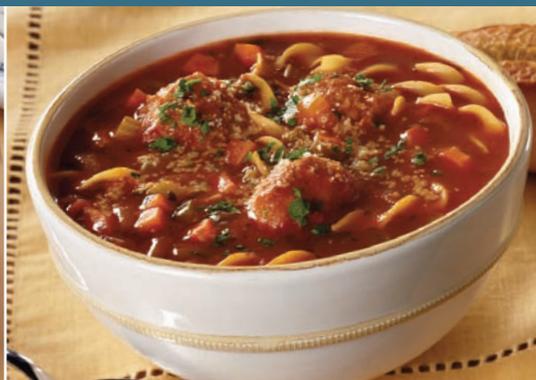
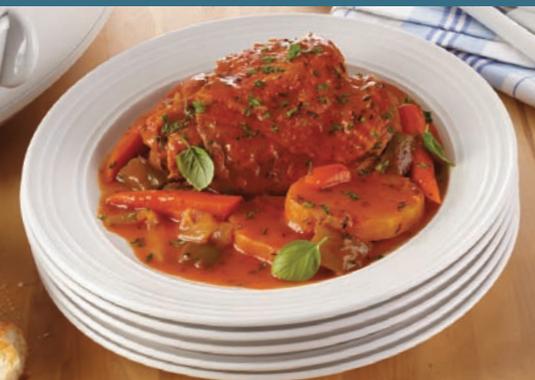


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CONTENTS

2	FROM THE CHAIR
4	EXECUTIVE & DIRECTORS
6	COMMITTEES, APPOINTMENTS, AFFILIATIONS & MEMBERSHIPS
7	FROM THE EXECUTIVE DIRECTOR
8	GOVERNANCE
9	COMMUNICATIONS
14	OPERATIONS
17	FINANCIAL STATEMENTS
28	VALUE CHAIN
33	SCIENCE AND RESEARCH





A Look Back on 2011

2011 was unlike any other during my time as Chair. It was a year of unprecedented attention on the supply management system and also one of significant progress for our organization, and our sector in general.

In March, the Federal Agriculture Minister announced that extensive consultations between industry and government had culminated in new updates to the maximum compensation figures payable to owners of birds ordered destroyed for disease control purposes. The announcement was received enthusiastically by turkey producers, as the new program will help lessen the economic and social impact on poultry farmers in the unlikely event their flocks must be destroyed. The program also augments the efficient foreign animal disease prevention and response measures already in place.

As 2011 progressed, the Agency continued to work toward maintaining and developing communications with Parliamentarians to ensure that the Canadian Government understands the turkey sector and maintains its support for supply management. As it turned out, the Minister – and many others in government – would have plenty of opportunities (and calls) to reiterate their support for our system.

During the Federal election campaign in the spring, support for supply management was voiced by all four (4) major political parties. Upon the Conservative victory, the Government committed in its Speech from the Throne to

defend supply management in all international forums and bilateral negotiations.

Later in the year, Federal and Provincial Government leadership would come out in strong defense of supply management, refuting a number of allegations by critics in the mainstream media and showing that their support of our system remains firm.

The turkey market appears to have recovered from the recession that began in 2008: the market share for turkey meat has held steady; domestic disappearance has been strong; and, the high frozen inventory that began building in 2008 has been addressed.

Allocation Policy discussions continued on what has, at times, seemed like a long and winding road. The upcoming 2012/13 control period will be the sixth year that the Policy has been in operation and, though the Board has continued to examine options, no decisions have been made to modify the Policy to-date. Discussions will continue in 2012.

Progress has been straightforward on a number of other files: a formal TFC Research Strategy was developed and adopted in 2011; the Management Manual for the TFC On-Farm Food Safety Program[®] successfully passed the Canadian Food Inspection Agency's Technical Review – Part II and was subsequently distributed to Provincial Boards for on-farm implementation; and the Agency's investment in social media has expanded the engagement of our online followers.

The Agency also partnered with Food Banks Canada again in 2011 to donate much needed funds to rural food banks across the country, so that turkeys could be purchased for those who are most in need; it is a contribution worth reflecting on, and one in which I am proud to represent our members.

As a turkey farmer, and as your Chair, I believe that we are well positioned to face 2012. Continued communication and cooperation between producers and processing sectors will again help us to fulfill our mandate and maintain favourable conditions for the Canadian turkey industry, today and in the future.

Respectfully submitted,



MARK DAVIES
Chair



TFC Chair, Mark Davies, with the Honourable Gerry Ritz, Minister of Agriculture and Agri-Food, at the joint annual poultry reception on March 23, 2011.



TFC Chair, Mark Davies, and Executive Director, Phil Boyd, present a cheque to representatives from Food Banks Canada. From left to right: Mark Davies; Katharine Schmidt, Food Banks Canada; Brian Meagher, Food Banks Canada; Phil Boyd.

EXECUTIVE & DIRECTORS

The Faces of Turkey Farmers of Canada



Mark Davies, Chair | NOVA SCOTIA



Bill Mailloux, Vice Chair | ONTARIO



**Wayne Goodsman
Executive Member | SASKATCHEWAN**

OUR VISION

Canadian turkey will be readily available every day, everywhere in Canada in the form consumers desire.

OUR MISSION

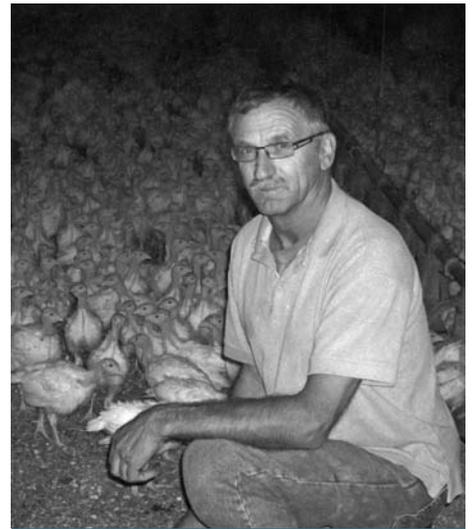
To develop and strengthen the Canadian turkey market through an effective supply management system that stimulates growth and profitability for economic stakeholders.



MANITOBA | Wayne Kroeker



NEW BRUNSWICK | Bertin Cyr



ALBERTA | Roelof Meijer



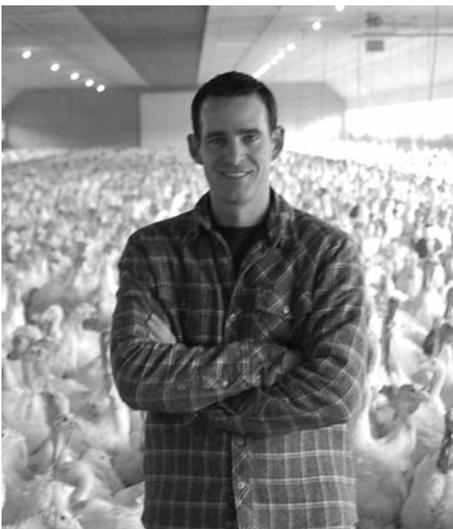
CPEPC | Michel Pépin



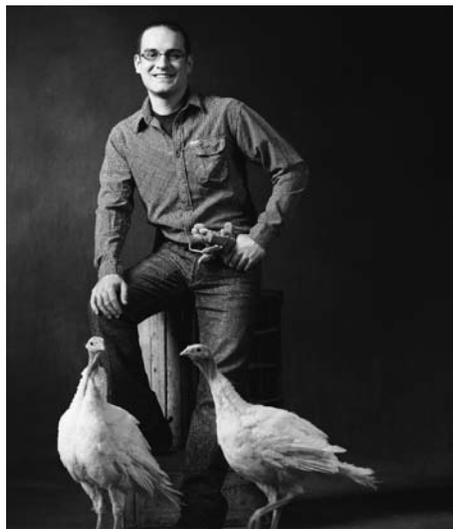
CPEPC | Doug Hart



FPPAC | Paul Borg



BRITISH COLUMBIA | Shawn Heppell



QUEBEC | Michaël Boulay

ALTERNATE DIRECTORS

British Columbia	Rick Andrew
Alberta	Garry Olson
Saskatchewan	Jelmer Wiersma
Manitoba	Rachelle Brown
Ontario	Tyson Schlegel
Quebec	Laurent Mercier, Jr.
New Brunswick	Larry Slipp
Nova Scotia	David Young
	Lori Ansems

CPEPC	Wayne Urbonas
	Jeff McDowell

FPPAC	Gary Martin
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COMMITTEES, APPOINTMENTS, AFFILIATIONS & MEMBERSHIPS

COMMITTEES

Executive*

Mark Davies, Chair
Bill Mailloux, Vice Chair
Wayne Goodsman, Executive Member

Nominating*

Doug Hart, Chair
Bertin Cyr
Bill Mailloux

Audit & Finance*

Mark Davies, Chair
Shawn Heppell
Bertin Cyr

Managers*

Michel Benoit, BC
Greg Smith, AB
Rose Olsen, SK
Helga Wheddon, MB
Janet Schlitt, ON
Pierre Fréchette, QC
Louis Martin, NB
Sonya Lorette, NS

Research*

Rachelle Brown, Chair
Doug Hart
Roelof Meijer
David Young

On-Farm Programs*

Wayne Goodsman, Chair
Les Burm, BC
Joni Rynsburger-Rathwell, SK
Brent Royce, ON
Stephen Lavallee, QC
Lori Ansems, NS
Erica Charlton, CPEPC

Turkey Market Advisory*

Bill Mailloux, Chair
Jeff McDowell, CPEPC - Central
Michel Pépin, CPEPC - East
Wayne Urbonas, CPEPC - West
Gary Martin, FPPAC
Shawn Heppell, Producer - West
Ingrid DeVisser, Producer - East
Justin Taylor, Canadian Restaurant and
Foodservices Association
John Groenewegen, Third-Party Market
Analyst

Supply Policy*

Mark Davies, Chair
Tyson Schlegel, Eastern Region
Michaël Boulay, Eastern Region
Shawn Heppell, Western Region
Wayne Kroeker, Western Region
Jeff McDowell, Processor
Gary Martin, Further Processor

APPOINTMENTS

Canadian Federation of Agriculture (CFA)

Wayne Kroeker, CFA Director
Mark Davies, Alternate CFA Director

Avian Biosecurity Advisory Council (ABAC)

Rick Andrew

National Farm Animal Care Council (NFACC)

Lori Ansems

Canadian Poultry Research Council (CPRC)

Roelof Meijer

AFFILIATIONS

Turkey Research & Resource Bureau*

Mark Davies, Chair, NS
Shawn Heppell, BC
Roelof Meijer, AB
Wayne Goodsman, SK
Wayne Kroeker, MB
Bill Mailloux, ON
Michaël Boulay, QC
Bertin Cyr, NB
David Young, Alternate, NS

**Resource - TFC staff.*

MEMBERSHIPS

Canadian 4-H Council
Canadian Animal Health Coalition
Canadian Federation of Agriculture
Canadian Partnership for Consumer
Food Safety Education
Canadian Poultry Research Council
Canadian Restaurant and Foodservices
Association
Canadian Supply Chain Food Safety
Coalition
Poultry Industry Council
Provincial Farm Animal Councils:
Alberta, Ontario and Saskatchewan
World's Poultry Science Association -
Canada Branch

ASSOCIATE MEMBERSHIPS

Canadian Poultry and Egg Processors
Council
Further Poultry Processors Association
of Canada
National Turkey Federation (U.S.)

FROM THE EXECUTIVE DIRECTOR



2011 Year in Review

As in years past, TFC's 2011 Annual Report has been structured to follow the principle elements, or "Key Result Areas" (KRAs), of the Agency's Business Plan. Identified annually by the Board of Directors, the KRAs – and the priorities within each – establish the Agency's Operational Plan for the year(s) ahead, guide the allocation of time and resources accordingly, and provide a mechanism for performance measurement throughout the year.

In 2011, progress was made within each of the five KRAs: Governance; Communications; Operations; Value Chain; and, Science and Research.

Market improvements were a particular highlight; without doubt, the measured decisions made with regard to output volumes over the last two years have brought the market back to an appropriate balance. By year end, inventories were at desired levels, underpinning the expectations for output growth in 2012/13.

Developments within the Communications' KRA were also significant. The division of the Communications Strategy into separate corporate and consumer streams in 2010, we believe, has provided improved service to members, enhanced contact with government representatives, and afforded a needed expansion of first-hand connection with consumers.

The Agency's Balance Sheet remains strong, with the Statement of Operations showing trim expenses attributable to the prudence with which the budget is aligned with priorities developed in the Business Plan. This, even in light of greater demands on resources with each passing year.

The TFC mandate stems from the Farm Products Agencies Act, Section 21, *Objects of an Agency*. This section requires the Agency to "promote a strong efficient and competitive production and marketing industry ... with due regard to the interests of producers and consumers". It is not a set of Objects to be taken lightly, or glossed over. The Objects are as relevant in 2012 as they were when the Act was passed into law, 40 years ago; they provide a compass for the Agency's business now – as they did then – even though the world around us has changed.

TFC's Vision, Mission and Values are in this report. They trace directly back to the Objects noted above, in a way that tailors that broad responsibility to both the particulars of the Canadian turkey market and the social environment in which the Agency functions.

With that top of mind, my highly capable office colleagues and I remain focussed – with the Board of Directors, member organizations, and other partners – to advance the growth and development of the turkey sector.

We invite and welcome any questions, comments and ideas in regard to the content of this report.

Respectfully submitted,

PHIL BOYD
Executive Director

GOVERNANCE

TFC's Governance Policy incorporates disciplined practices, clearly defined roles, responsibilities and accountabilities, and comprehensive explanations of legal duties and fiduciary compliance.

Business Planning

The Turkey Farmers of Canada follow an annual Business Planning process that begins with the crystallization of the Board of Directors' vision for the Agency and culminates in the development of a formal Operational Plan. The prescribed procedure involves planning sessions with the Board and Agency staff, exchanges between Directors, budget preparation and regular reviews of progress. It is a continual process that aims to ensure TFC is able to respond effectively to current and emerging issues alike, within its statutory mandate.

Through the Business Planning Process, a number of reference documents were developed in 2011; these documents summarize various nominating processes, duties, timeframes, etc., for Board members.

The Key Result Areas (KRAs) in which the Board elected to direct its focus over 2011/12 are:

- | | |
|---------------|------------------------------|
| KRA 1: | Governance |
| KRA 2: | Communications |
| KRA 3: | Operations |
| KRA 4: | Value-Chain (Poult to Plate) |
| KRA 5: | Science and Research |



COMMUNICATIONS

TFC's Communications Plan is divided into two (2) streams: Consumer Relations and Corporate Communications. These streams encompass multiple elements, including communications with Agency members, government relations, corporate identity development and consumer education.

Advocacy & Government Relations

The three (3) pillars of supply management – producer pricing, production discipline and import controls – must be maintained in order to ensure the continued viability of an effective supply management system.

To support this objective, TFC worked throughout 2011 to integrate government relations into a more routine part of the Agency's operations. Associated tasks included enhanced monitoring of the House of Commons, as well as the Senate and House of Commons Standing Committees, more frequent communication with Government leaders and their staff, and providing more detailed information to Agency members.

TFC has also continued to work in collaboration with our national supply management partners in the dairy, chicken, egg and hatching egg sectors on multiple international and domestic activities. Together, these groups labour to ensure that Canada's politicians and media hear a strong, consistent and unified voice from the supply management sector.



Robin Redstone | Lead - Corporate Communications

Standing Committee on Agriculture and Agri-Food

At the invitation of the House of Commons Standing Committee on Agriculture and Agri-Food (AGRI), TFC Chair, Mark Davies, and Executive Director, Phil Boyd, appeared before the Committee in late November 2011, as part of the Committee's study on the *Growing Forward 2* agriculture policy framework.

TFC's presentation addressed the turkey industry's policy requirements under the "Competitive Enterprises" pillar of *Growing Forward*, which includes measures aimed at enhancing farmers' business skills and strategies, but also at addressing issues that affect the competitiveness of Canadian farmers.

Growing Forward 2 is scheduled to take effect upon the expiry of the current *Growing Forward* policy agreement on March 31, 2013.

CFA Communications Working Group

In early 2011, TFC staff joined in the formation of a Communications Working Group comprised of staff from the Canadian Federation of Agriculture (CFA) and CFA member-organizations. The objective of the Working Group is to improve relations regarding organizational communications priorities and projects, and to increase feedback and collaboration on initiatives wherever possible.

TFC Turkey Market Development Committee

In December 2011, TFC Directors adopted Terms of Reference for the Turkey Market Development Committee. This new Committee will work toward creating opportunities for Canadian turkey farms and firms by encouraging the consumption of turkey, researching the needs and wants of consumers and foodservice outlets, and influencing the retail sector to increase the availability of turkey in-store.

The Committee, which will include producers, processors, representatives from the Canadian Restaurant and Foodservices Association and the Retail Council of Canada, as well as a Canadian Registered Dietitian, and even a Canadian foodie and/or chef, will report to and develop recommendations for the TFC Board.



Allyson Marcolini | Lead - Consumer Relations

OUR VALUES

TFC is a farmer-based organization expanded to reflect a larger chain representation and is guided by and committed to:

- A national system of supply management and the economic stability and stimulus it affords to the rural economy across Canada.
- Profitable growth for economic stakeholders.
- Partnership and advancing shared interests in the development of a viable, competitive industry.
- Innovation and excellence in turkey production.
- Integrity, inclusiveness, transparency and respect.

Continued Partnership with Food Banks Canada



2011 marked TFC's third year of partnership with Food Banks Canada, with the Agency providing \$50,000 to rural food banks across the country. The Turkey Farmers of Ontario, Manitoba Turkey Producers and Turkey Farmers of New Brunswick also contributed funds in 2011, raising the total donation to \$62,000. A cheque was officially presented to two (2) representatives from Food Banks Canada, Katherine Schmidt, Executive Director, and Brian Meagher, Vice Chair, at TFC's 228th General Business Meeting in September.

For the first time, food banks in the Territories were included in the 2011 allocation, widening the distribution of turkeys and turkey products to Canadian families in ten (10) provinces and two (2) territories at Thanksgiving.

A press release was subsequently issued by the Minister of Agriculture commending TFC's contribution and again challenging Canadians to think of those who could benefit from a donation of a whole turkey or turkey products.

Further initiatives were also taken by Provincial Turkey Marketing Boards throughout the year to support food banks in their local areas and province-wide, including fundraising events and direct donations.



Food Banks Canada representatives were presented a cheque by TFC's Board of Directors. Pictured in photo from left to right: D. Young, Nova Scotia; G. Martin, FPPAC; M. Boulay, Quebec; B. Mailloux, Ontario; M. Davies, TFC Chair; W. Goodson, Saskatchewan; Katharine Schmidt, Food Banks Canada; W. Kroeker, Manitoba; S. Heppell, British Columbia; M. P  pin, CPEPC; B. Meagher, Food Banks Canada; R. Meijer, Alberta; D. Hart, CPEPC; B. Cyr, New Brunswick.

The Canada Brand

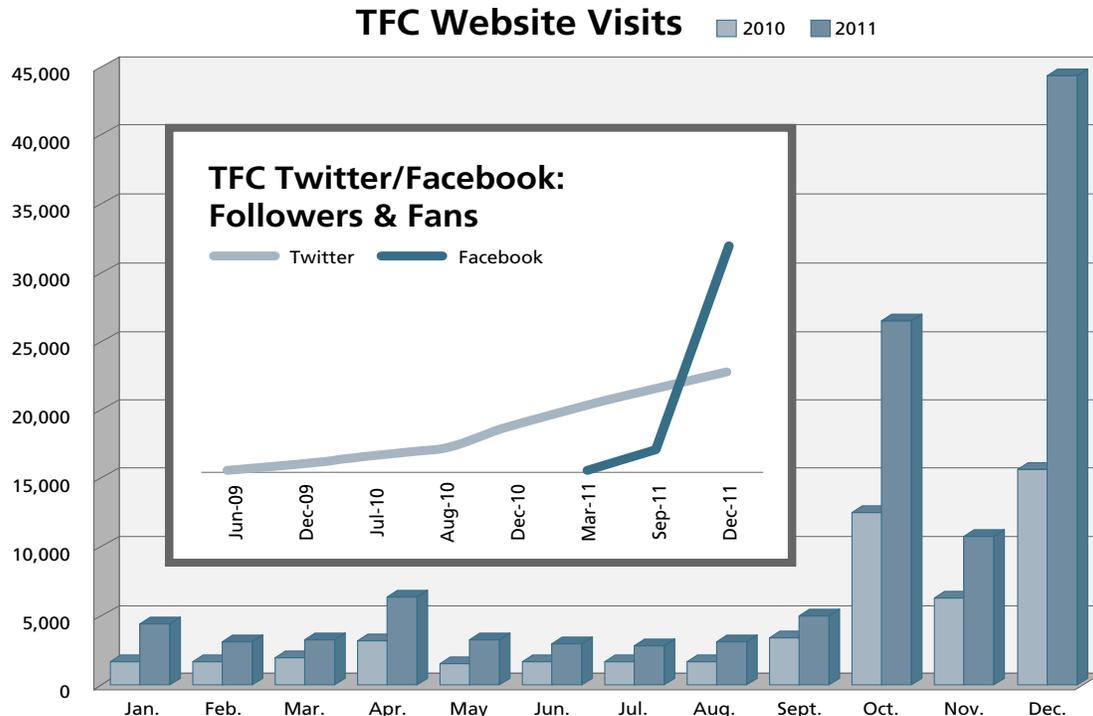
The Canada Brand for the food and agriculture sector is a federal-provincial-industry project led and funded by Agriculture and Agri-Food Canada (AAFC). Based on buyer and consumer research, the initiative is designed to leverage Canada's strong domestic and international image to increase the sales and profile of Canadian food and agriculture products abroad and here in Canada.



In November 2011, TFC received approval to use the Canada Brand identification with the tagline "Raised in Canada" on the Agency's website and in electronic communications.

TFC Online

New initiatives, a strong social media presence and interaction between multiple online platforms are helping to increase the number of hits to the TFC website – a critical component of the Agency’s consumer outreach focus.



Social Media



www.twitter.com/TastyTurkey

After two and a half years on Twitter, TFC’s Tasty Turkey influence continues to grow, with more than 600 followers.



www.facebook.com/TastyTurkey

Launched in March 2011, TFC’s Tasty Turkey Facebook page has grown exponentially with the introduction of consumer contests. By the end of the year, more than 1,500 Facebook users were signed up to receive regular tips, information and ideas for consuming turkey throughout the year. Statistics available to the Agency provide insight into what content is most important to TFC’s fans, shaping plans for the future of the Tasty Turkey page.



TFC YouTube Channel

A TFC YouTube channel (CdnTurkeyFarmers) was launched in 2011 as a venue to host past “Turkey for Dinner” advertising campaigns, as well as recipe and “Turkey 101” videos.

Recipe and Video Development

Website analytics repeatedly demonstrate that the recipe section of www.turkeyfarmersofcanada.ca remains the most popular among site visitors.

For that reason, 11 new recipes were developed for the website in 2011, with individual recipe launches scheduled throughout the latter part of the year and into 2012. Instructional videos were also developed to accompany eight (8) of the new recipes, with videos and/or links posted to TFC's YouTube channel, Facebook page, and Twitter account.

A series of instructional videos, aptly called *Turkey 101*, were also developed in 2011 to provide basic instruction on how to buy, thaw, roast and carve a turkey. Again, videos or links were distributed across TFC's social media platforms.



Consumer e-Newsletter: The Turkey Club

In January 2011, TFC began distributing a monthly bilingual e-newsletter to interested consumers. Each issue features a recipe with photo, food safety tips, a kids' section and either a guest column, or other practical information geared to educate or simplify life for readers.

Interest in the publication has been steadily climbing throughout 2011. The sign-up form and past issues are housed on www.turkeyfarmersofcanada.ca.



Dietitian e-Newsletter

TFC issued two (2) e-newsletters in 2011 to a list of registered dietitians across Canada. The newsletters communicated important details regarding the nutritional attributes and advantages of Canadian turkey meat.

Consumer News & Views

In an effort to distill the myriad of consumer studies and food industry news, TFC began distributing a summary report of relevant headlines to Agency Directors, Alternate Directors and Provincial Board Managers in 2011. The monthly report, *Consumer News and Views*, is circulated via email.

OPERATIONS

Turkey Farmers of Canada works each year to maintain and develop effective business practices that support the Agency's vision. These practices run from day-to-day business operations to the larger picture of international trade and the maintenance of the supply management systems for marketing turkeys in Canada.

Trade: WTO

Since the collapse of the WTO negotiations in July 2008, very little headway has been made toward finalizing modalities on the crucial trade elements that make up the Doha Round (i.e., Non-Agricultural Market Access, Agriculture, Services, Rules, Trade-related aspects of intellectual property rights, etc.).

Technical matters that remain unresolved in the Agriculture negotiations include: sensitive products (SeP) selection and treatment, tariff capping, tariff simplification, special safeguard mechanism (SSM), special products (SP), preference erosion and cotton, among others.

Given the lack of recent progress and the significant differences among many major players, it was not unexpected when the 8th Biennial WTO Ministerial Conference (MC8) finished on a subdued note in December 2011. In the closing statement of the MC8, the WTO Chairman expressed this lack of progress and optimism as follows:

- “the negotiations are at an impasse”;
- “it is unlikely that all the elements of the Doha Development Round could be concluded simultaneously in the near future”;
- “Ministers recognize that Members need to more fully explore different negotiating approaches”.

Moving into 2012, expectations are that the WTO will be relatively quiet; advancement – even regarding the exploration of new negotiating approaches – is not expected until well into 2013.

Trade: Bilateral and Plurilateral Agreements

Outside of the WTO, the Canadian Government is currently involved in 11 bilateral or plurilateral trade agreements, involving the following countries and regions: Andean Community Countries, Caribbean Community (CARICOM), Central America Four (CA4), Dominican Republic, European Union (EU), India, South Korea, Morocco, Singapore, Ukraine and Turkey.



Cathy Lane | Corporate Services Administrator

Of these negotiations, the most important from an economic perspective is the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) Negotiations. The EU, composed of 27 Member States with a total population of over 500 million, is the world's largest single common market and represents Canada's second largest trading partner.

The CETA negotiations, officially launched in May 2009, are anticipated to be concluded in 2012. As the most sensitive negotiating areas, including agriculture, have been left for the end, political guidance will likely be required to finalize these matters.

November 2011 also witnessed the Canadian Government's expression of interest with regard to entering into formal consultations with members of the Trans-Pacific Partnership (TPP) on Canada's possible participation in negotiations. Current TPP members are: Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, the United States, and Vietnam. Along with Canada, Mexico and Japan have also stated their interest in participating in the TPP. With the addition of Canada, Japan and Mexico, the TPP represents a market potential of more than 775 million people with a combined Gross Domestic Product of \$25.7 trillion. It is expected that Canada will embark on consultations with all nine (9) TPP members with a view to joining the negotiations in the first half of 2012.



Lorna Morris | Executive Services Administrator

Supply Management Sector Collaboration

In 2011, the collaborative efforts of Turkey Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Dairy Farmers of Canada and the Canadian Hatching Egg Producers included the continued supply of resources to the monitoring of the WTO negotiations and joint support for the *Call for Coherence*, an international declaration signed by farm groups from 66 countries that calls on governments and parliaments to recognize the specificity of agriculture in international trade negotiations.

Import Pillar

In early 2010, the Honourable Minister of Agriculture and Agri-Food, Gerry Ritz, formed an industry and interdepartmental committee to review the effectiveness of the import control pillar for turkey and chicken, as well as the Specially Defined Mixture (SDM) rule. The Committee tabled its final report with the Minister in July 2011, at which time the Minister adopted all 21 recommendations.

These recommendations are currently in various stages of implementation, with those specifically pertaining to the SDM rule slated for completion in early 2012.

Turkey Tariff Rate Quota (TRQ)

In order to effectively forecast domestic consumption and set a corresponding national quota allocation, an accurate estimate of overall supply for the coming quota period must be developed. Consequently, estimating turkey import levels plays a very important part in the Agency's market analysis.

The TRQ for turkey is allocated to importers on a calendar-year basis, while the Agency's quota period is administered on a marketing-year basis of May to April. This mismatch between the TRQ and the domestic quota period raises the potential for significant swings in the volume of imports that can occur in a marketing year. This is because the Agency's quota period straddles two (2) calendar, or import, years. Over the last eight (8) years, this mismatch has resulted in imports varying by as much as 18% between domestic marketing years.

To address this matter, TFC and the processing sector sent a formal request to the Department of Foreign Affairs and International Trade (DFAIT) in 2011, asking that the Department align its administration of the TRQ with the Agency's quota period. A favourable response was received from DFAIT officials in November and it is expected that this change can be recommended to the Minister of International Trade in 2012, pending the development of an implementation and transition plan.

Economic Contribution Study

In 2011, the four (4) supply managed poultry agencies agreed to collaborate on an Economic Contribution Study to determine the overall economic activity generated nationally and regionally by the orderly marketing systems for turkey, chicken, eggs and broiler hatching eggs.

The study assesses the degree to which the industry, from a production and marketing perspective, are:

- contributing to regional development;
- enhancing the economic and social landscape of the Canadian confederation; and,
- by doing so, serving the interests of producers and consumers across provincial and territorial boundaries.

In late 2011, Informetrica Limited reported that estimated direct farm sales of \$323 million are expected to generate \$874 million in processing revenue and result in a contribution of \$1.1 billion to Canada's Gross Domestic Product (GDP). Total estimated employment, including direct, indirect and induced impacts, is estimated at approximately 10,000 jobs. When the contribution of all four (4) poultry sectors are combined, it is estimated that poultry production will add almost \$9.3 billion to the GDP in 2011 on net farm sales of \$3.2 billion, generate over 33,000 direct jobs and 86,000 jobs economy-wide, and have a positive impact on government revenues of \$1.8 billion.

**CANADIAN TURKEY MARKETING AGENCY c.o.b.
TURKEY FARMERS OF CANADA**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

INDEX

INDEPENDENT AUDITORS' REPORT	18
STATEMENT 1 - Financial Position	19
STATEMENT 2 - Operations	20
STATEMENT 3 - Changes in Net Assets	21
STATEMENT 4 - Cash Flows	22
NOTES TO THE FINANCIAL STATEMENTS	23-25
SCHEDULE 1 - Administration Expenses	26
SCHEDULE 2 - Marketing Expenses	27



Mabel Seto | Finance Administrator

INDEPENDENT AUDITORS' REPORT

To the Members of: Canadian Turkey Marketing Agency c.o.b. Turkey Farmers of Canada

Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Turkey Marketing Agency c.o.b. Turkey Farmers of Canada, which comprise the statement of financial position as at December 31, 2011 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Canadian Turkey Marketing Agency c.o.b. Turkey Farmers of Canada as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other Matter

The financial statements of the prior period were audited by the predecessor auditor with an audit report dated March 24, 2011. The predecessor auditor expressed an opinion which stated that the financial statements presented fairly in all material respects.

RLB LLP

Guelph, Ontario
March 22, 2012

Chartered Accountants
Licensed Public Accountants

STATEMENT 1**TURKEY FARMERS OF CANADA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011**

	2011	2010
ASSETS		
CURRENT		
Cash (Note 3)	\$ 498,568	\$ 508,395
Investments (Note 4)	2,489,348	2,299,835
Accounts receivable (Note 5)	340,861	376,129
Prepaid expenses (Note 6)	97,314	99,559
	<hr/>	<hr/>
	3,426,091	3,283,918
PROPERTY AND EQUIPMENT (Note 8)	83,159	85,628
	<hr/>	<hr/>
	\$ 3,509,250	\$ 3,369,546
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 151,663	\$ 115,351
	<hr/>	<hr/>
NET ASSETS		
INTERNALLY RESTRICTED FUNDS	2,751,926	2,586,256
UNRESTRICTED FUND	522,502	582,311
FUNDS INVESTED IN PROPERTY AND EQUIPMENT	83,159	85,628
	<hr/>	<hr/>
	3,357,587	3,254,195
	<hr/>	<hr/>
	\$ 3,509,250	\$ 3,369,546

ON BEHALF OF THE BOARD:

Mark Davies, Chair



Bill Mailloux, Vice Chair

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

STATEMENT 2**TURKEY FARMERS OF CANADA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011	2010
REVENUE		
Producer levies	\$ 3,098,462	\$ 3,095,018
Investment income	81,989	24,606
	<hr/>	<hr/>
	3,180,451	3,119,624
	<hr/>	<hr/>
EXPENSES		
Administration (Schedule 1)		
Other administrative	531,374	484,229
Remuneration to Directors and staff	1,128,299	1,106,854
Directors and staff expenses	622,990	561,236
	<hr/>	<hr/>
	2,282,663	2,152,319
	<hr/>	<hr/>
Marketing (Schedule 2)		
Provincial marketing programs	400,001	400,001
Market development	155,596	145,528
Public relations and communications	238,799	320,102
	<hr/>	<hr/>
	794,396	865,631
	<hr/>	<hr/>
	3,077,059	3,017,950
	<hr/>	<hr/>
EXCESS OF REVENUE OVER EXPENSES, for the year	\$ 103,392	\$ 101,674

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

STATEMENT 3**TURKEY FARMERS OF CANADA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Internally Restricted Funds	Unrestricted Fund	Funds Invested in Property and Equipment	2011 Total	2010 Total
BALANCE , beginning of year	\$ 2,586,256	\$ 582,311	\$ 85,628	\$ 3,254,195	\$ 3,152,521
Excess (deficiency) of revenue over expenses for the year	23,937	108,538	(29,083)	103,392	101,674
Appropriations	168,000	(168,000)	0	0	0
Expenditures	(26,267)	26,267	0	0	0
Transfer of funds required to purchase property and equipment	0	(26,614)	26,614	0	0
BALANCE , end of year	\$ 2,751,926	\$ 522,502	\$ 83,159	\$ 3,357,587	\$ 3,254,195

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

STATEMENT 4**TURKEY FARMERS OF CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011	2010
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 103,392	\$ 101,674
Adjustments required to reconcile net excess of revenue over expenses with net cash provided by operating activities		
Amortization of property and equipment	29,083	30,064
Gain on disposal of property and equipment	0	(577)
	132,475	131,161
Changes in non-cash working capital balances		
Accounts receivable	35,268	104,427
Prepaid expenses	2,245	(50,744)
Accounts payable and accrued liabilities	36,312	(43,412)
	206,300	141,432
INVESTING ACTIVITIES		
Purchase of property and equipment	(26,614)	(9,707)
Purchase of investments, net	(189,513)	(224,335)
Proceeds on sale of property and equipment	0	1,795
	(216,127)	(232,247)
DECREASE IN CASH, during the year	(9,827)	(90,815)
CASH, beginning of year	508,395	599,210
CASH, end of year	\$ 498,568	\$ 508,395

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

TURKEY FARMERS OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

1. NATURE OF ORGANIZATION

In fiscal 2009, the Agency adopted the name Canadian Turkey Marketing Agency c.o.b. Turkey Farmers of Canada ("TFC" or the "Agency"). TFC is a tax exempt corporate body established under the *Farm Products Marketing Agencies Act (Canada)* to promote a strong, efficient and competitive production and marketing industry for turkey in Canada.

As at March 26, 2009, the Canadian Turkey Marketing Agency operates under the name "Turkey Farmers of Canada".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles in Canada. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the accounting policies summarized below.

(a) THE TURKEY RESEARCH AND RESOURCE BUREAU

The Agency is deemed to control The Turkey Research and Resource Bureau ("TRRB") by virtue of TFC's right to appoint the eight provincial producer member Board of Directors. The Agency does not consolidate the financial statements of TRRB. TRRB is a not-for-profit organization established to facilitate turkey related research. The financial position and results of operations of TRRB are not significant and are not disclosed in these financial statements.

(b) INVESTMENTS

Investments consist of bonds that are classified as held-for-trading and are carried in the financial statements at fair value. Fair value is estimated based on quoted market values.

Investment income includes interest and realized and unrealized gains and losses on held-for-trading financial assets.

(c) PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Furniture and equipment	- 20% declining balance basis
Computer equipment	- 30% declining balance basis
Leasehold improvements	- straight line basis over ten years

The carrying value of a long-lived asset is considered impaired when the undiscounted cash flow from such asset is estimated to be less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset.

(d) FUNDS INVESTED IN PROPERTY AND EQUIPMENT

Funds Invested in Property and Equipment represent funds provided for the acquisition and financing of property and equipment. The financing of investments in property and equipment is transferred from the unrestricted fund on an annual basis. All amortization of property and equipment is charged to this account.

TURKEY FARMERS OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) INTERNALLY RESTRICTED FUNDS

The Board of Directors has approved the restriction of a portion of the Agency's net assets as a contingency to cover six months of operations. The Board of Directors has proposed that this restricted amount will be \$2,140,000 (2010 - \$2,072,000), increasing to \$2,211,000 in 2012.

A research fund was established by the Board of Directors to accumulate funds for future research needs. The balance in this fund is \$305,303 (2010 - \$289,491).

An incident fund was established by the Board of Directors to accumulate funds for unique incidents that may occur. The balance in this fund is \$306,623 (2010 - \$198,498).

Transfer from CT/DC prior to fiscal 2010 consisted of funds resulting from the dissolution of CT/DC to be used for the maintenance of the consumer component of the website to be carried on by TFC. The remaining balance of funds of \$26,267 was expended during the year.

(f) UNRESTRICTED FUND

The unrestricted fund reports resources available for the Agency's general operating activities.

(g) REVENUE RECOGNITION

Producer levies are accrued monthly based on the live weight of turkey production submitted by Agriculture and Agri-Food Canada.

(h) FINANCIAL INSTRUMENTS

The Agency utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments and the carrying amounts approximate fair values.

The Agency classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Agency's accounting policy for each category is as follows:

Held-for-trading

This category is comprised of certain investments in bonds. They are carried in the balance sheet at fair value with changes in fair value recognized in the statement of operations. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.

Loans and receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They arise principally through the provision of services to customers (accounts receivable), but also incorporate other types of contractual monetary assets. They are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to the loans and receivables are expensed as incurred.

Other financial liabilities

Other financial liabilities includes all financial liabilities other than those classified as held-for-trading and comprises accounts payable and accrued liabilities. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method.

3. CASH

Included in cash is \$nil (2010 - \$8,152) denominated in U.S. dollars.

TURKEY FARMERS OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

4. INVESTMENTS

Investments consist of strip bonds guaranteed by the Government of Canada with interest rates ranging from 1.45% - 5.0% that have maturity dates ranging from June 2012 - December 2016.

5. ACCOUNTS RECEIVABLE

	2011	2010
Producer levies	\$ 325,944	\$ 367,909
Advances to TRRB	0	800
Recoverable from On-Farm Food Safety Program	14,657	6,972
Miscellaneous accounts receivable	260	448
	\$ 340,861	\$ 376,129

6. PREPAID EXPENSES

	2011	2010
Insurance	\$ 6,401	\$ 6,276
Other	90,913	93,283
	\$ 97,314	\$ 99,559

7. BANKING FACILITIES

At December 31, 2011, the Agency has an unused demand instalment loan of \$595,000 that is due on demand and bears interest at the bank's prime rate plus 1%, calculated and payable monthly. It is secured by all present and after acquired personal property of the Agency.

8. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2011	Net 2010
Furniture and equipment	\$ 96,526	\$ 71,039	\$ 25,487	\$ 24,386
Computer equipment	140,462	99,951	40,511	33,622
Leasehold improvements	104,591	87,430	17,161	27,620
	\$ 341,579	\$ 258,420	\$ 83,159	\$ 85,628

9. COMMITMENTS

The minimum annual lease payments for rent, office equipment, automobile and funding commitments for the next five years are as follows:

2012	\$ 224,269
2013	50,418
2014	10,200
2015	10,200
2016	10,200

10. CAPITAL MANAGEMENT

The Agency's capital consists of its net assets. The Agency's primary objective of capital management is to ensure that it has sufficient resources to continue to provide services to its members. Annual budgets are developed and monitored to ensure the Agency's capital is maintained at an appropriate level. The Agency is not subject to any externally imposed capital requirements. The Agency's restricted funds of \$2,751,926 are subject to internally imposed capital restrictions.

SCHEDULE 1**TURKEY FARMERS OF CANADA
SCHEDULE OF ADMINISTRATION EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011	2010
OTHER ADMINISTRATIVE		
Amortization	\$ 29,083	\$ 30,064
Audit	13,800	18,067
Contract projects and external consulting	49,919	42,112
Insurance	9,796	9,604
Legal and accounting	26,067	42,031
Gain on disposal of property and equipment	0	(577)
Loss on foreign exchange	292	284
Office leases and supplies	52,330	49,966
OFFSP/Flock Care	9,969	7,887
Postage and courier	10,412	16,504
Rent, property tax and utilities	132,840	138,838
Sundry administration	1,087	649
Telephone	17,022	17,150
Trade consultations	78,802	45,785
Translation and interpretations	99,955	65,865
	531,374	484,229
REMUNERATION TO DIRECTORS AND STAFF		
Directors' fees	117,175	110,788
Employee benefits	163,807	160,030
Staff salaries	847,317	836,036
	1,128,299	1,106,854
DIRECTORS AND STAFF EXPENSES		
Directors, Alternates and Board Managers' expenses	413,993	370,638
Meeting rooms	63,805	53,323
Staff expenses	144,148	136,108
Travel insurance	1,044	1,167
	622,990	561,236
	\$ 2,282,663	\$ 2,152,319

SCHEDULE 2**TURKEY FARMERS OF CANADA
SCHEDULE OF MARKETING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011	2010
PROVINCIAL MARKETING PROGRAMS		
TFC Provincial Marketing Supplement	\$ 400,001	\$ 400,001
MARKET DEVELOPMENT		
Canadian Poultry Research Council	35,000	35,000
Market research	87,971	82,028
Turkey research	32,625	28,500
	155,596	145,528
PUBLIC RELATIONS AND COMMUNICATIONS		
Marketing and communications	71,655	151,321
Memberships	71,134	69,596
National sponsorships and promotions	61,737	64,537
Subscriptions	5,070	4,530
TFC publications	29,203	30,118
	238,799	320,102
	\$ 794,396	\$ 865,631

VALUE CHAIN

In order to create a cooperative, responsive industry and to ensure that producers and processors have long-term viable businesses, a number of quantitative tools are used to facilitate the examination of our value chain. These tools work to identify the existing drivers, barriers and issues in the sector and to provide a useful and instructive frame of reference for the TFC Board and member organizations.

2011 Market Review

Turkey production in 2011 was 158.8 million kg (Mkg), up 0.8 Mkg from 2010. Domestic disappearance was 142.5 Mkg, down 2.9 Mkg from 2010, for a per capita consumption of 4.13 Mkg. Closing stocks were 10.1 Mkg, the lowest since January 2000.

Periodic Stocks, Supply and Disappearance of Turkey in Canada Calendar Year (thousand kg, eviscerated)

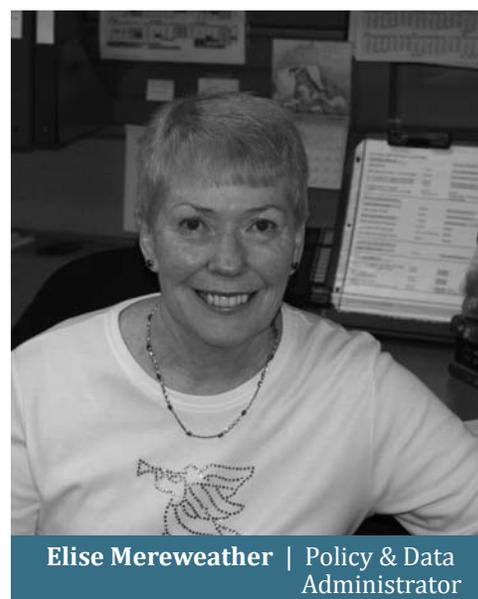
	2011	2010	2009	2008	2007	2001
Opening Stocks	11,962	18,322	22,167	15,373	12,809	14,413
Production	158,836	158,802	165,313	179,023	168,639	148,455
Imports	4,037	3,706	3,380	3,902	3,215	3,511
Total Supply	174,834	180,111	190,860	198,298	184,662	166,379
Total Disappearance	164,688	168,149	172,538	176,131	169,290	147,159
Exports	22,150	22,681	24,024	25,581	28,305	18,854
Domestic Disappearance	142,538	145,468	148,514	150,550	140,985	128,306
Closing Stocks	10,146	11,962	18,322	22,167	15,373	19,220

SOURCES: Turkey Farmers of Canada and Agriculture and Agri-Food Canada

TFC's Market Review is based on the turkey production year, or control period, which begins on the last Sunday of April each year. This provides a better perspective of market requirements relative to the seasonality of turkey consumption.



John Sheldon | Manager - Markets Information



Elise Mereweather | Policy & Data Administrator

Stocks, Supply and Disappearance of Turkey Meat in Canada 2010/2011 Control Period Compared to Previous Periods (million kg)

	Mkg 2010/11	% Change from...				
		2009/10	2008/09	2007/08	2006/07	2000/01
Opening Stocks (May 1, 2010)	25.2	-10%	4%	19%	28%	23%
Production						
<9 kg	75.2	1%	-6%	-6%	-2%	1%
>9 kg	82.0	-3%	-14%	-13%	-8%	10%
Total	157.2	-1%	-10%	-10%	-5%	6%
Imports	4.1	53%	4%	13%	12%	23%
Total Supply	186.5	-2%	-8%	-6%	-2%	8%
Disappearance						
Domestic	145.9	3%	-4%	0%	4%	14%
Exports	22.2	-6%	-8%	-21%	-23%	5%
Total Disappearance	168.0	2%	-4%	-4%	0%	13%
Closing Stocks (April 30, 2011)	18.4	-27%	-35%	-24%	-13%	-20%

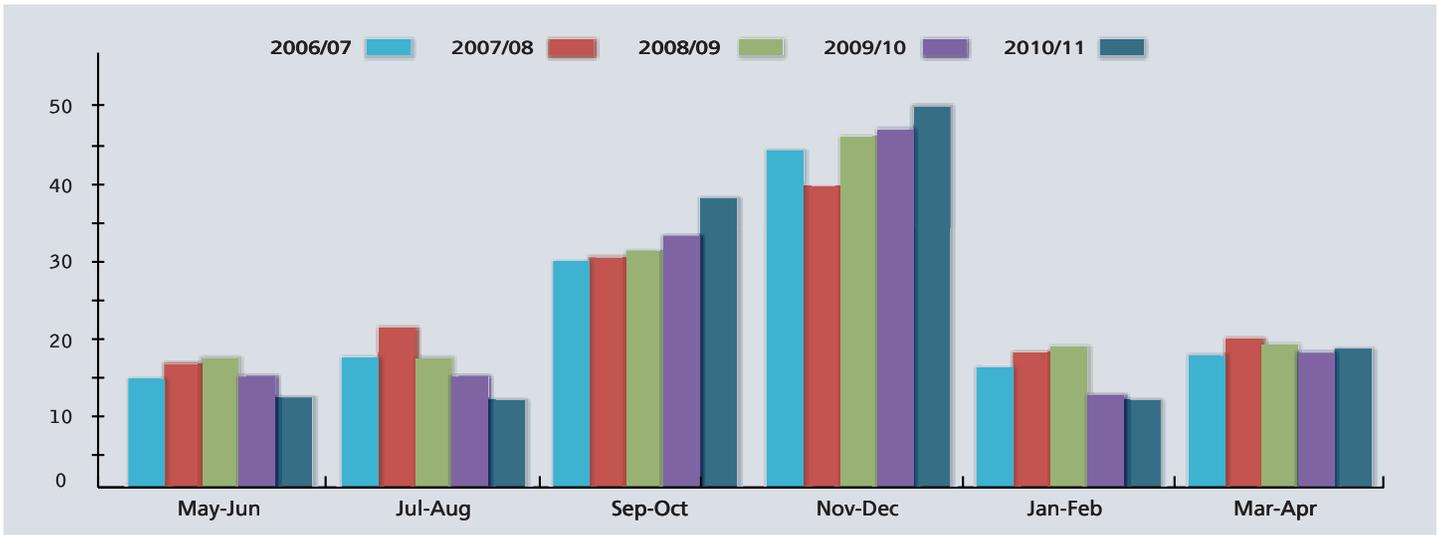
The above table shows the turkey market over the last five (5) years, with the 2000/01 production year as an historical reference point. For reasons explained in previous reports – namely the 2008 recession, which led to substantial reductions in total disappearance, inventory levels climbed to unanticipated heights in 2008 and 2009. Since that time, declines in output (which, as a matter of interest, paralleled the output declines in the United States), combined with retail strategies that lead to the significant featuring of turkeys over the last three (3) festive seasons, have successfully removed excess inventories from the market.

Periodic Stocks, Supply and Disappearance of Turkey Meat in Canada 2008/09, 2009/10, 2010/11 (thousand kg - eviscerated)

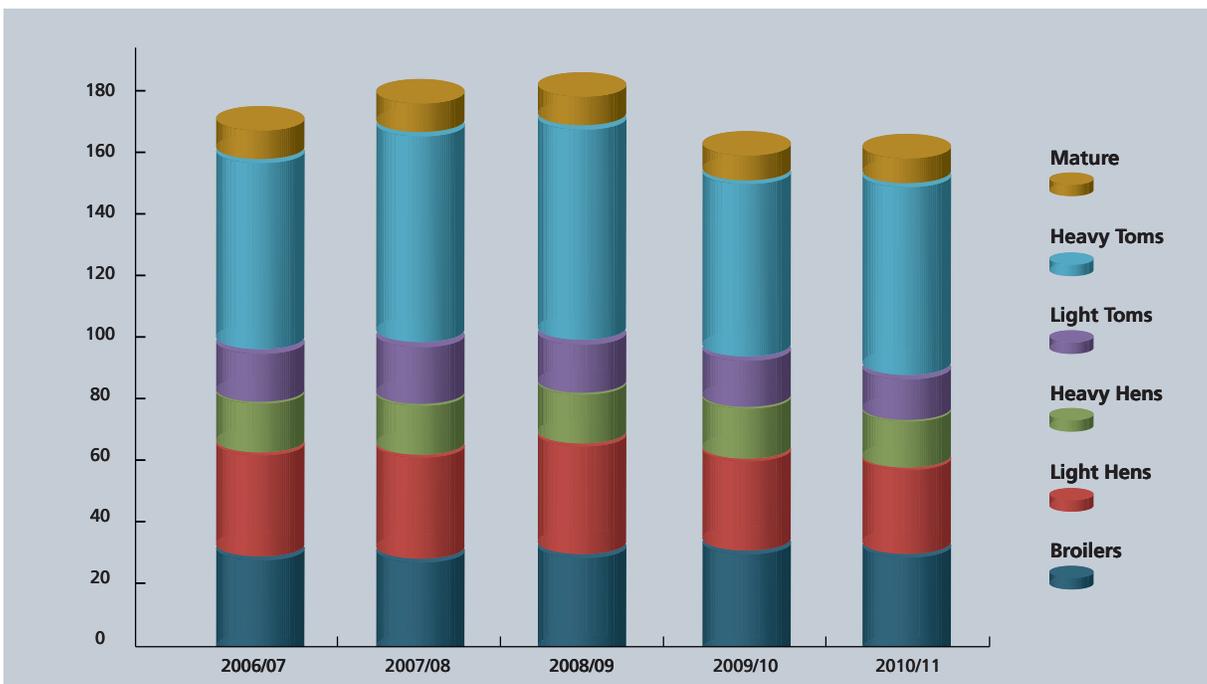
	May to August			September to December			January to April			Control Period Total		
	2008/09	2009/10	2010/11	2008/09	2009/10	2010/11	2008/09	2009/10	2010/11	2008/09	2009/10	2010/11
Opening Stocks	24.3	28.2	25.2	42.1	47.3	46.9	22.2	18.3	12.0	24.3	28.2	25.2
Production	60.0	56.7	54.7	63.5	56.8	57.7	51.8	45.7	44.8	175.3	159.2	157.2
Imports	1.2	0.9	1.2	1.5	1.3	2.0	1.2	0.4	0.8	3.9	2.7	4.1
Total Supply	85.4	85.7	81.2	107.1	105.4	106.6	75.2	64.4	57.5	203.4	190.0	186.5
Total Disappearance	43.3	38.4	34.3	84.9	87.1	64.7	47.0	39.2	39.1	175.3	164.8	168.0
Exports	8.5	8.2	7.1	7.2	7.4	7.7	8.4	8.0	7.5	24.1	23.5	22.2
Domestic Disappearance	34.8	30.2	27.2	77.8	79.8	87.0	38.6	31.3	31.7	151.2	141.2	145.9
Closing Stocks	42.1	47.3	46.9	2.2	18.3	12.0	28.2	25.2	18.4	28.2	25.2	18.4
Total Disappearance (% of total)	25%	23%	20%	48%	53%	56%	27%	24%	23%	100%	100%	100%

VALUE CHAIN *(cont'd...)*

Bi-Monthly Domestic Disappearance of Turkey (millions of kg)

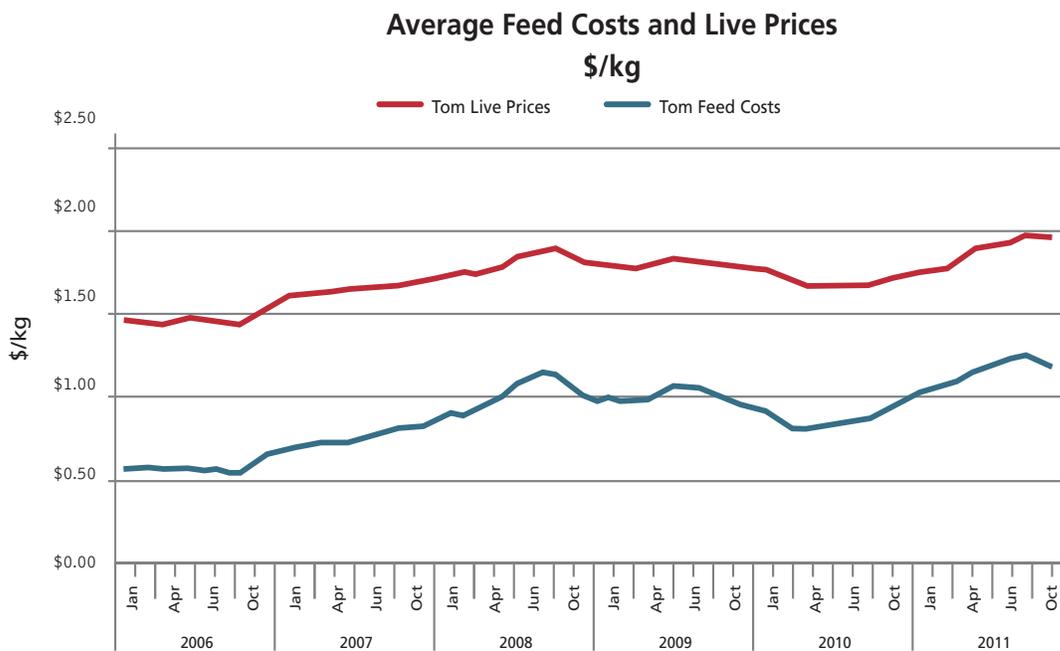
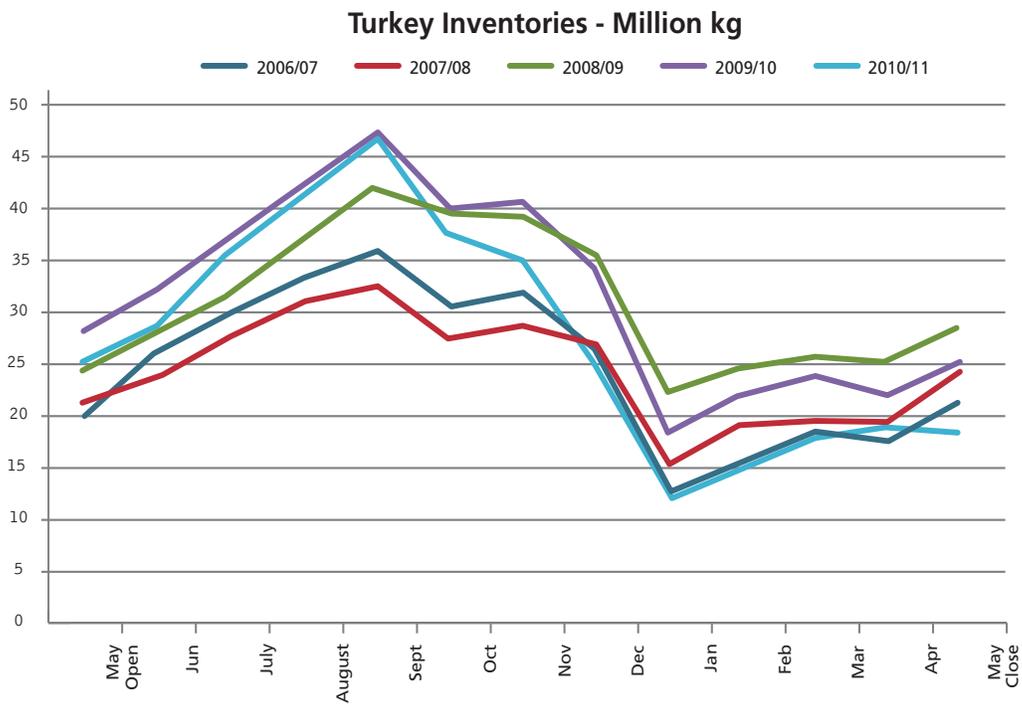


Turkey Production 2006/07 - 2010/11 (millions of kg)



Since 2006, volatile feed costs have posed a challenge for all livestock sectors. For a number of reasons, including the mandated use of ethanol, growth in demand for feed grains has outstripped production increases. In turn, prices for feed grains and oilseeds have become increasingly unstable, and much more expensive.

In September 2011, the cost of feeding a tom turkey was almost double the cost of just five years earlier. Adjustments to live pricing have, for the most part, covered much of the recent increase in input costs.



Subject to the final results of the 2011 calendar year and the 2011/12 control period, there is opportunity for an increased volume of production in 2012.

TFC Policies - Allocation Policies

TFC administers five (5) quota allocation policies:

- i. National Commercial Allocation Policy
- ii. Export Policy
- iii. Multiplier Breeder Policy
- iv. Primary Breeder Policy
- v. Inter-Provincial Quota Transfer Guidelines

These policies are end-use or target-based supply programs and are part of the Agency's coherent strategy to allocate quota, to a large degree, on the principle of comparative advantage.

In 2011, the Agency continued its "report card" analysis on the National Commercial Allocation Policy and scrutinized a number of options for tweaking that were originally identified in the fall of 2010. To-date, no decisions have been made to modify the Policy, though concrete elements for further discussion have been identified, and will be prominent on the Agency's agenda in early 2012.

The Multiplier Breeder and Primary Breeder Policies, implemented in the 1980s, continue to serve the interests of the turkey breeding sector, which is highly active in international markets for egg and poult sales. The policies have been structured to allow these sectors to market additional volumes of breeder meat within the quota system, while providing them with the ability to expand sales of breeding stock (which is their primary business and not part of the supply managed sector). No changes were made to either Policy in 2011. The Primary Breeder Policy is up for evaluation in 2012, paralleling the same process used for the Multiplier Breeder Policy in 2008/09.

TFC's Export Policy, also put into operation in the 1980s, has undergone many internal reviews and third-party analyses over the years. Throughout this time, the fundamental structure of the Policy has remained unchanged. In 2011, on the recommendation of the Supply Policy Committee, a number of administrative changes were implemented to Section 2, Placement for Export, in order to reduce red-tape and stream-line administration at a provincial level. The Committee also continued its assessment of Section 1, Replacement Production, in 2011, to determine whether this Section is still meeting the needs of the industry in terms of the disposition of lower-valued off-cuts (e.g., drums and wings). No final recommendations were reached by the Committee; however, three (3) potential options for further discussion and analysis were developed. These options have been forwarded to the primary processing sector for their input, with the expectation that the Committee's final recommendations will be tabled with the Board by no later than mid-2012.

No amendments were made to the Inter-Provincial Quota Transfer Guidelines in 2011. This is the newest pillar of the policy suite, adopted in 2009, which allows for the transfer of quota between provinces where an unforeseen event limits or prevents the production of turkey, in order for market needs to be met.



Promotion Agreement

The Promotion Agreement is a contract between the Agency and the eight (8) Provincial Boards which contains the following key elements:

- a. Provision for marketing cutbacks and liquidated damages, should the province exceed its provincial allocation;
- b. Posting of a Performance Bond or Letter of Credit;
- c. List of incidents (i.e., force majeure) under which monetary penalties may be refunded; and,
- d. Arbitration procedures.

Part V (referred to as “Compliance”) of the Federal Provincial Agreement (FPA) for turkey requires that the Agency and the Provincial Commodity Boards enter into, and execute, a Promotion Agreement.

Due to a number of factors that include: modernization of legal language, revised dispute settlement procedures, reducing the cost of maintaining bonds and letters of credit, etc., the Agency embarked on a renewal of the Promotion Agreement in 2010. This process of renewing the 30+ year-old Agreement was brought to a successful conclusion in December 2011. The new Agreement will take effect with the 2012/13 control period, which commences on April 29, 2012.

SCIENCE AND RESEARCH

Every day, Canadian turkey farmers are trusted to maintain high standards of production in order to provide Canadian consumers with a high quality and safe product. It is a responsibility taken seriously, and one that is supported by TFC’s on-farm programs, commitment to research, and insights into regulatory developments and initiatives.

On-Farm Programs Manuals

In order to streamline the requirements and reduce duplications contained within the TFC On-Farm Food Safety Program[®] (OFFSP) and Flock Care Program[®] (FCP), the two (2) programs were consolidated into one binder and re-published in a new format in 2011.

After receiving confirmation from the Canadian Food Inspection Agency (CFIA) that the Technical Review – Part I status of the amended TFC OFFSP had been maintained, TFC proceeded with the printing and distribution of the new farmer manuals to all provinces. The electronic program version was also revised and posted on the farmer-only website www.tfconfarmprograms.ca.

In October 2011, TFC hosted a two-day training session for On-Farm Programs auditors from across the country, to provide updates on the revised requirements of the TFC OFFSP, FCP, and the TFC OFFSP Management Manual, in preparation for the implementation of the new farmer manual. The meeting, held in Guelph, Ontario, was presented to the 17 participants as a

SCIENCE AND RESEARCH *(cont'd...)*

On-Farm Programs Manual (cont'd...)

combination of a classroom session and a 'mock' audit performed on-farm to evaluate the requirements of the OFFSP and FCP in a real farm setting.



Graham Duggan |
On-Farm Programs
Assistant

Malenka Georgiou |
Associate Manager -
Technical Affairs,
On-Farm Programs

Colleen McElwain |
Associate Manager -
Technical Affairs,
Science & Regulation

On-Going Implementation of the TFC On-Farm Programs

As of December 31, 2011, 86.9% of all registered turkey farmers had received on-farm technical assistance or 'mock' audits for the OFFSP and 56.6% for the FCP. In addition, 67.5% had been certified under the OFFSP and 24.1% under the FCP. Moving forward, participation under both programs is expected to increase further towards TFC's goal of 100% producer certification.

TFC OFFSP Management Manual

In a continued effort to streamline the administration of the TFC On-Farm Programs, the Agency has finalized the TFC OFFSP Management Manual. Early in 2011, the manual was submitted to the Canadian Food Inspection Agency (CFIA) for Technical Review – Part II, which was successfully completed in September 2011. During this process, the TFC manual was assessed according to criteria established by CFIA to ensure the document is technically sound and adequately supports the implementation of the TFC OFFSP.

The final manual was printed and distributed to all TFC OFFSP administrators in advance of a training session held in late November for Provincial Board Managers. This training focused on the roles and responsibilities of all personnel within the TFC OFFSP management system, in preparation for the implementation of the policies and procedures set out in the manual. Implementation of the new administrative requirements will commence in 2012 at both the TFC and Provincial Board office level. TFC also plans to extend the scope of the current manual to cover the TFC Flock Care Program® (FCP) in 2012.

The Turkey Farmers of Canada (TFC) would like to thank Agriculture and Agri-Food Canada (AAFC) for its funding contribution under Growing Forward, used towards the development of the TFC On-Farm Food Safety Program®.

Poultry Code of Practice and Animal Care Assessment Model

The National Farm Animal Care Council (NFACC) initiated a review of the *Recommended code of practice for the care and handling of farm animals: Chickens, Turkeys and Breeders from Hatchery to Processing Plant* in August 2011. In 2012, a Scientists' Committee will research welfare priorities and prepare a report outlining the conclusions and recommendations regarding those priorities. The outcomes reached by the Scientists' Committee will be taken into consideration for inclusion in the final Code by the Code Development Committee. It is anticipated that the majority of Code revision activities will be complete by December 2013.

In addition to the *Code of Practice* revision, NFACC has been developing an Animal Care Assessment Model, to be used in the evaluation of various animal care programs. The Model, with the anticipated completion date of December 2013, will be piloted by the Dairy Farmers of Canada (DFC) in assessing their animal care program. TFC is monitoring the progress of the model and will consider its use in the future.

Canadian Poultry Research Council

As part of its long-term plan, the Board of the Canadian Poultry Research Council (CPRC) named a full-time Executive Director – charged with initiating all CPRC activities and leading the Council in its commitment to research – in mid – 2011. TFC, in a continued effort to support poultry research, increased its annual contribution to the Council's research budget to \$50,000, in order to stimulate additional turkey-related research projects and to attract an increase in funding from other sources.

In 2011, the Council agreed to fund a number of poultry research projects that have a direct effect on turkey production. These include the impact of day-length on turkey welfare and productivity, feather pecking in turkeys and its relation to genetics and activity levels, and methods of assessing bird wetness for transport. In addition, a project identifying risk factors during chicken broiler transport that influence injury and mortality is expected to have some applications within the turkey industry.

TFC staff will continue to monitor the outcomes of all CPRC activities and research projects, and utilize the scientific findings for possible inclusion in the TFC On-Farm Programs.

Antimicrobial Use and Resistance – Monitoring and Involvement

TFC has continued to monitor scientific developments in the area of antimicrobial use and resistance in an effort to keep up-to-date with respect to this evolving issue. In 2011, turkey products sampled at retail level were included in the scope of the Canadian Integrated Program for Antimicrobial Resistance (CIPARS). Previously, turkey was only incorporated in this Public Health Agency of Canada (PHAC) administered program as part of the surveillance of Animal Clinical Isolates, a category based on samples collected for diagnostic purposes. Once the analysis is completed, the final results will be published in the 2011 CIPARS annual report, which is expected sometime in 2012.

The Agency has also developed a Turkey Farming Fact Sheet on Antimicrobial Use and Resistance, which can be accessed by turkey farmers at www.tfconfarmprograms.ca.

TFC Research Strategy

In 2010, the TFC Research Committee conducted an environmental scan to assess the strengths, weaknesses, opportunities and threats relevant to turkey research in Canada. Referencing this information, a formal TFC Research Strategy was drafted by the Committee and approved by the TFC Board in May 2011. The Research Strategy outlines TFC's goals and future activities related to desired research outcomes, with a priority on flock health, food safety and quality, and turkey welfare. The TFC Research Committee will use the Strategy to move forward with a targeted approach toward research funding and workshops that will expand the scientific knowledge concerning turkey production that is available to the turkey industry.

Avian Biosecurity Advisory Council

The Avian Biosecurity Advisory Council (ABAC) has produced a final draft of the *Poultry Industry Service Sector Biosecurity Guide*. This document outlines proper biosecurity protocols for service personnel entering a farm premises or barn, including veterinarians, catching crews, maintenance workers or transporters. The guide will undergo a final consultation prior to publication and distribution, which is expected in the spring of 2012.

A TFC producer representative and staff member were involved in the development of the *Poultry Industry Service Sector Biosecurity Guide* to ensure all aspects of turkey farming were considered.

Guidance Document for Animal Care in the Supply Chain

The Canadian Poultry and Egg Processors Council (CPEPC) Animal Welfare Sub-Committee has been developing a guidance document for the poultry supply chain that provides guidelines for animal care to reflect revisions within the *CFIA Meat Hygiene Manual of Procedures (MOP)*. TFC staff and a turkey farmer representative sit on the Animal Welfare Sub-Committee and provided input during the development of this document.

Titled *Recommended Best Practices for Bird Care in the Canadian Poultry Supply Chain from Farmer to Processor*, the document will be a valuable resource for poultry producers, catchers, transporters and processors. It will be finalized early in 2012 and will be available to all members of the supply chain.

PAACO Poultry Welfare Auditor Course

TFC contributed funding towards the creation of a Canadian version of the Professional Animal Auditor Certification Organization (PAACO) Poultry Welfare Auditor Training Course in 2011, a project administered by the Poultry Industry Council (PIC). PAACO, based in the United States, provides credible education and certification services for animal auditors. The course, being developed by PIC, will take into account the TFC Flock Care Program® (FCP) and the animal care programs of the other national poultry groups. The course is anticipated to be available in the fall of 2012.

TFC sees great value in this initiative and has two (2) staff members certified as PAACO Poultry Welfare Auditors since 2009.